S. Hrg. 101-579

NOMINATION OF GEORGE W. HALEY

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON

NOMINATION OF GEORGE W. HALEY TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION

JANUARY 31, 1990

Printed for the use of the Committee on Governmental Affairs

U.S. GOVERNMENT PRINTING OFFICE
27-401 WASHINGTON : 1990

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

S401-36

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NOMINATION OF GEORGE W. HALEY

WEDNESDAY, JANUARY 31, 1990

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:35 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Richard Pryor presiding.

Present: Senators Pryor and Stevens.

Staff present: Brian Dettelbach, Jack Sparks, Office of Senator Glenn; Susanne Marshall, Office of Senator Roth; Ed Gleiman, Office of Senator Pryor; and Wayne Schley, Office of Senator Stevens.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. Ladies and gentlemen, the Committee will come to order.

This Committee hearing relates to the nomination of George W. Haley to be a Commissioner of the Postal Rate Commission. Senator John Glenn, the Chairman of the Governmental Affairs Committee, has asked me to chair the hearing this morning to consider Mr. Haley's nomination, and I must say it is with great pride that I have this opportunity.

Although an Arkansan neither by birth nor voting residence, Mr. Haley's connections with Arkansas are both long and strong in nature. George Haley's father was for many years a member of the faculty at Arkansas A, M&N, now the University of Arkansas at Pine Bluff, and served as that School's Dean of Agriculture. George Haley is, himself, a graduate of the University of Arkansas School of Law, class of 1952.

He has distinguished himself as a student and was selected for the Law Review. Mr. Haley has distinguished himself since and, in 1988, was named to the Law School's "Outstanding Alumni." We welcome you before our Committee this morning.

The Committee rules require that an inquiry be conducted into each nominee's experience, qualifications and suitability to serve in the position for which the President has nominated the particular individual. In this regard, the Committee has received from the nominee financial statements and detailed information on education, employment and professional accomplishments. Mr. Haley has also responded in writing to a number of prehearing questions. Copies of his biographical information and prehearing questions and responses will be placed in the record as part of this hearing.

The financial statements will be available for public inspection in the Committee's office. The Committee staff interviewed the nominee prior to today's hearing. In addition, the Committee staff has reviewed opinion letters regarding the nominee from both the Office of Government Ethics and the Postal Rate Commission's General Counsel.

[Senator Pryor's prepared statement follows:]

PREPARED STATEMENT OF SENATOR PRYOR

Senator John Glenn, Chairman of the Governmental Affairs Committee, asked me to chair this full Committee hearing to consider the nomination of George W. Haley to be Chairman of the Postal Rate Commission. It was with particular pleasure that I accepted the assignment.

Although an Arkansan neither by birth nor voting residence, Mr. Haley's connections with Arkansas are both long and strong in nature. George Haley's father was for many years a member of the faculty at Arkansas A, M&N, now the University of Arkansas at Pine Bluff, and served as that School's Dean of Agriculture. George Haley is, himself, a graduate of the University of Arkansas School of Law, class of 1952. He distinguished himself as a student and was selected for the Law Review. Mr. Haley has distinguished himself since and, in 1988, was named the Law School's "Outstanding Alumni."

Welcome Mr. Haley!

The Committee rules require that an inquiry be conducted into each nominee's experience, qualifications and suitability to serve in the position for which the President has nominated that individual.

In this regard, the Committee has received from the nominee financial statements and detailed information on educational, employment and professional accomplishments. Mr. Haley has also responded in writing to a number of pre-hearing questions. Copies of his biographical information and pre-hearing question responses will be placed in the record as part of this hearing. The financial statements will be available for public inspection in the Committee Office.

The Committee staff interviewed the nominee prior to today's hearing. In addition, the Committee staff has reviewed opinion letters regarding the nominee from both the Office of Government Ethics and the Rate Commission's General Counsel.

Finally, Senators Glenn and Roth, the Committee Chairman and ranking minority member, have reviewed the FBI background investigation on the nominee.

Committee rules further require that the nominees be under oath during this hearing, while testifying on all matters relating to their suitability for office, including policies and programs which they will pursue while in their respective positions. Mr. Haley would please rise and be sworn:

Please raise your right hand. Do you swear to tell the truth, the whole truth and nothing but the truth, so help you God?

Are there any family members or close friends present today to share this occasion with you?

Is there anything that you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

If confirmed, do you agree without reservation to appear and to testify before any duly constituted committee of the Congress?

If confirmed, do you agree to respond fully to any request for information by a duly constituted committee of the Congress and to cooperate fully with the General Accounting Office in any investigation requested by such a committee?

We hope for speedy confirmation, so that Mr. Haley might get his bearings at the PRC before the expected rate case arrives in early March!

Senator PRYOR. Let the record also show that two individuals who were fellow graduates with Mr. Haley from the University of Arkansas School of Law, Mr. Lee Williams and Mr. Bob Lowe, are present today in our hearing.

Let, also, the record show at this point that our very fine colleague, Senator Ted Stevens of Alaska, is with us this morning,

and he always has some good questions and good insights into this very complex postal system. Before I do call on Congresswoman Morella, I will call on Senator Stevens.

Senator STEVENS. Thank you very much, Mr. Chairman. I am pleased that you so promptly called this hearing on Mr. Haley. I would like to put in the record the statement of our Ranking Member and former chairman, Senator Roth on this nomination, if you would please.

Senator PRYOR. Without objection.

[The opening statement of Senator Roth follows:]

OPENING STATEMENT OF SENATOR ROTH

Thank you, Mr. Chairman. Our distinguished colleagues from Kansas, Senators Dole and Kassebaum, are unable to be present at the hearing today, but have provided statements of introduction and recommendation for the nominee. But it's obvious his long association with Kansas is nothing when compared to the Arkansas connection—which certainly makes for a friendly reception from the Chair today.

I recognize the nominee has a varied record of professional achievements, and I am confident he will work in earnest to fulfill the duties of the office to which he has been nominated.

I would simply like to take the opportunity today to highlight the importance of the Postal Rate Commission at this particular point in time. As this Committee considers your nomination, the Postal Rate Commission is beginning to consider a request from the Postal Service for an advisory opinion on a change in first class delivery standards. This requires careful and critical analysis, as it will impact directly upon the timing, reliability, and efficiency of first class mail delivery.

It is also my understanding that the Postal Service will soon ask the Commission to consider a rate increase to take effect in early 1991. As we all know, any increase has a direct impact on every household in the nation. But in addition to the individual consumers, the estimates I have heard for the increases, if implemented, could dramatically alter the Postal Service's ability to retain its current customers and attract new mailers. This concerns me, and I must share with the nominee my belief that all Postal Service requests must be scrutinized with the utmost care, in terms of what is best for the Postal customer and the long term efficiency of the Postal Service.

Finally, I would like to point out that in Fiscal Year 1989, the Postal Service projected net income of $561 million, while it finished the year just slightly in surplus. For FY 1990, the original budget anticipated a deficit of $933 million, but projections now indicate that the FY 1990 deficit could be more than $1.5 billion. I am strongly concerned about this deficit and believe the Postal Rate Commission can play a key role in helping the Postal Service improve service, productivity, and efficiency.

I trust the nominee will seriously consider all of these issues.

In closing, let me add that it is my understanding that the Committee is prepared to move forward to report out this nomination in a timely manner, and we will hopefully have full Senate confirmation prior to the President's Day recess in mid February.

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. I want to compliment the staff for its thorough check and background work on Mr. Haley's nomination. I think everybody who really shares our interest in the postal system will appreciate your promptness in calling this hearing, so soon after the background work was completed.

I have reviewed Mr. Haley's record and his resume and I am very much impressed. He and I had a very interesting visit and I think he is very eager to learn as much as possible about the Postal Service and to really do what is I believe he is ready to take on the task of a rate commissioner, to consider the lifestyle and

livelihood of the people not only in the Postal Service but the people throughout the country who depend upon the Service.

I would ask that you put my complete statement in the record. I note that there is a slight connection between this nominee and the traditional residence of the Chairman. I would hope that it will mean that we will have prompt responses from the Committee on this nomination. I am sure Mr. Haley will give us the kind of service in his new capacity that the Nation deserves.

So thank you very much, and put the whole statement in the record, please.

Senator PRYOR. Yes, without objection, Senator Stevens' statement will be placed in the record.

[The prepared statement of Senator Stevens follows:]

PREPARED STATEMENT OF SENATOR STEVENS

Mr. Chairman: Thank you for your promptness in holding these hearings on Mr. Haley. I want to point out for the record that the Committee staff, as usual, did a thorough background check and only completed their work early last week. So this hearing, indeed, was scheduled as soon as possible. I know that all of those who share my strong interest in the well-being of the Postal Service appreciate the promptness in calling this hearing.

I have reviewed Mr. Haley's resume. I have met with Mr. Haley, and I have been very much impressed. He has appeared to me as one who is eager to learn as much as he can about the Postal Service—its importance to the economy of this Nation and to the lifestyle and the livelihood of people in every corner of the country.

The task of the Rate Commissioners and especially a new chairman is an extremely challenging one. Mr. Haley must not only learn, as quickly as possible, about the Postal Service, but do so with the knowledge that a major postal rate case will soon be filed. A rate case is very time consuming even when all the commissioners have extensive knowledge of postal service issues.

The Rate Commission's role is a vital one. Their function is to ensure equitable rates—rates that are sufficient for the Postal Service to carry out its functions, and rates to enable mailers and the Postal Service to plan for the future.

I am sure, Mr. Haley, you are familiar with the Postal Service's goal of 95 percent or more businesses mail bar coded by 1995. I believe the Postal Service's future depends on their ability to significantly increase productivity. Automation is a key to increased productivity. But automation can only work if the mailers are provided the incentives to properly address and bar code their mail so that the new automation machinery the Postal Service is in the process of developing and purchasing can process the mail.

Mr. Chairman, with the rate case likely to be filed within the next month or so, I hope that we can move Mr. Haley's nomination as soon as possible, barring some unknown fact that may come out of these hearings.

Mr. Haley, we are pleased to have you before us, and we look forward to your testimony.

Senator PRYOR. In addition to Senator Stevens' full statement and the statement of Senator Roth of Delaware, I also have two additional statements, that of Senator Dole of Kansas and Senator Kassebaum of Kansas.

[The prepared statements of Senators Dole and Kassebaum follow:]

STATEMENT OF SENATOR DOLE

Mr. Dole, Mr. Chairman and members of the committee, it is a pleasure to introduce George Haley, nominee to serve on the Postal Rate Commission. I also welcome his wife, Doris.

George brings a lifetime of public service to this key post which encompasses extensive administrative, technical, and economic policymaking responsibilities.

As a young man he came to Kansas, following his graduation from law school, where he assumed a leadership role in the Kansas City, Kansas, community. He has continued that tradition—eventually coming to Washington where he served the ad-

ministration as chief counsel to the Urban Mass Transportation Administration and, subsequently, as assistant director for equal employment opportunity for the U.S. Information Agency.

Our paths crossed often in Kansas in earlier days when we were both county officials. At that time, George carved out a role as a community leader, and since then he has brought the same determination and leadership skills to national posts and campaigns.

I am confident that George will bring good counsel to the Commission and am pleased to speak in support of his nomination. With his addition, every seat will be filled and the panel will be able to move forward to address a number of critical concerns. I urge swift approval by the committee.

STATEMENT OF SENATOR KASSEBAUM

Mr. Chairman, I have known George Haley for many years, and I have long admired his distinguished and varied accomplishments in law, government, transportation, and human rights. It is a pleasure and an honor for me today to offer a few words in strong support of his nomination to be Commissioner of the Postal Rate Commission.

Though he is originally a native of Tennessee and is currently a resident of Maryland, George lived for many years in Kansas City, Kansas, where he distinguished himself both as an able attorney and as an exceptional public servant. In his service both as deputy city attorney and as a state senator, George contributed substantially both to the people of Kansas City and to the State of Kansas.

In 1969, George came to Washington and assumed the post of chief counsel at the U.S. Urban Mass Transportation Administration. From there, he went on to serve at the U.S. Information Agency, first as assistant director for equal employment opportunity and then as general counsel and congressional liaison.

Since then, George has gone into business for himself, but has remained active both in politics and in public service. He has acted as a valued adviser to the Reagan administration on UNESCO and as a consultant to NASA for equal employment opportunity. In addition, until very recently, he served as director of the Institute for the Study and Analysis of Mass Transportation at the Frederick Douglas Foundation here in Washington.

I have the utmost confidence that George Haley will be a valuable addition to the Postal Rate Commission. There is no doubt in my mind that this difficult post will be well served by his formidable intelligence, energy, and experience.

Senator PRYOR. Mr. Haley, is your wife here with you today?

Mr. HALEY. She is, yes.

Senator PRYOR. Well, please, if you would present her. I did not see Ms. Haley come in.

Mr. HALEY. This is my wife, Ms. Doris Haley.

Senator PRYOR. Now we would call on the distinguished Congresswoman from the State of Maryland, Ms. Morella.

Are you claiming Mr. Haley as your constituent, as Bob Dole, Bill Roth, Nancy Kassebaum, Ted Stevens, and I have done? It seems like we are all claiming him.

TESTIMONY OF HON. CONSTANCE A. MORELLA, A U.S. REPRESENTATIVE FROM THE STATE OF MARYLAND

Ms. MORELLA. He is a man of all seasons and all places.

Senator PRYOR. Well, thank you. We are proud to have you before our Committee this morning.

Ms. MORELLA. Thank you. It is a pleasure for me, Mr. Chairman, Senator Stevens.

I would like to say I associate myself with the remarks of the two distinguished Senators with regard to Mr. Haley and his nomination and confirmation hearing for Chairman of the Postal Rate Commission. Yes, indeed, I claim him as a constituent, and a very active one, professionally and in civic organizations. And he is a graduate, as you know, of Morehouse College, since it appears as

though you have studied his credentials and met with him. He graduated with high honors. And you stole my thunder, Senator Pryor, because I was going to indicate that he went to the University of Arkansas School of Law, and as a matter of fact I think he was the second black to have graduated from that great institution.

So educationally he is certainly fit. He has practiced law. He was also elected to the Kansas State Senate. He has in his myriad career been chief counsel to UMTA, Associate Director of the EEO in USIA. Also general counsel for USIA. Senior adviser to the U.S. Delegation, UNESCO.

He was involved with ICARA, which was a refugee monitoring group. He is also a veteran of World War II. He was a sergeant in the Air Force. He has been active in the community in a whole myriad of professional associations, particularly pertaining to law, also civic associations, also with his church.

He is married to a wonderful woman who is here today. Doris Haley is a teacher and a very talented person in her own right. They have an exemplary family. They have two children, male and female, and they are both lawyers, and I think this comes from an excellent home environment.

So I would say that this gentleman is absolutely fully prepared in terms of experience, in terms of temperament, in terms of education, in terms of commitment, to be an excellent Chairman of the Postal Rate Commission, which isn't going to be an easy task, as we know what they have ahead.

And so finally I would say of George Haley, from Shakespeare, "Indeed he is a man of sovereign parts, well esteemed, fitted in arts, glorious in arms. Nothing becomes him ill that he would well."

And I wish him well in his confirmation hearing, and I thank you.

Senator PRYOR. With a send off like that I don't know how he could fail. Thank you very much, Congresswoman Morella.

Ms. MORELLA. Thank you.

Senator PRYOR. Mr. Haley, I am wondering now if you might have a statement. I do have three or four required questions, but why don't you at this time make your statement.

TESTIMONY OF GEORGE W. HALEY, NOMINEE TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION

Mr. HALEY. Thank you, Senator.

Mr. Chairman, Senators, it is indeed a great honor to appear before you at this hearing on my nomination to serve on the Postal Rate Commission. It goes without saying, but I shall say it regardless, that I deeply appreciate the President's expression of confidence and the Committee's careful consideration and courtesy in deliberating on my nomination. I am going to strive to merit both.

I would not call myself a postal expert at this stage, though I can assure you I am certainly learning. In that connection, I would also like to express appreciation for the Postal Service's kindness in arranging for me to visit several of its facilities to observe first-hand the complex operation most people never see. I do know that this is a time of great challenge for the postal system as a whole, and es-

pecially, perhaps, for the Commission. Reports in the press say that the long-expected rate case will start in not much more than a month, and I am determined to be up to speed for it.

Mr. Chairman, my professional life has been in the law, and in particular, my earlier Government service has been as a lawyer. I am looking forward to an assignment where law, public policy and technical and economic factors all come together in a public objective inquiry into how best to keep the postal system on which our Nation depends at the highest level of effectiveness and availability to all.

I stand ready to respond to any questions the Committee may have. Thank you.

Senator PRYOR. Thank you. Mr. Haley, under the rules of the Committee at this time I will now ask you to rise and raise your right hand please. You will have to be sworn before you answer the following questions. Would you rise and raise your right hand.

Do you swear to tell the truth, the whole truth and nothing but the truth so help you God?

Mr. HALEY. I do.

Senator PRYOR. Thank you, Mr. Haley.

The first question that I will pose, is there anything that you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. HALEY. There are none, sir.

Senator PRYOR. The second question, do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. HALEY. I do not.

Senator PRYOR. The third question, if confirmed to you agree without reservation to appear and to testify before any duly constituted Committee of the Congress?

Mr. HALEY. Yes, sir.

Senator PRYOR. This fourth question is not required but I will ask it anyway.

If confirmed, do you agree to respond fully to any requests for information by a duly constituted Committee of the Congress and to cooperate fully with the General Accounting Office in any investigation requested by such a Committee?

Mr. HALEY. I do

Senator PRYOR. Thank you, Mr. Haley.

Senator Stevens?

Senator STEVENS. Well, I don't have any really specific questions, Mr. Chairman. We have had a long talk. But I think it would be interesting, Mr. Haley, if you would tell us whether you had an occasion to discuss any of the Postal legislative changes that are floating around, proposals really, for legislative changes concerning the authority of the Rate Commission?

For instance, we have had suggestions that there be a change so that the Postal Service would be allowed to price and classify mail categories, that Congress allow the Postal Service to place under public notice and comment procedures changes that would normally go to the Rate Commission. We have had suggestions to allow the Postal Service to conduct market tests of various services and

fees for services for a period of time without approval of the Rate Commission.

Have any of those been discussed with you in your briefings?

Mr. HALEY. Yes, Senator, to some extent they have, particularly the one you mentioned with reference to unilateral rate setting for competitive mails, and this is one that comes to mind first.

I would be opposed to taking away the protection inherent in existing oversight of competitive mail rates. The statute, as I understand it, calls for due consideration for private sector competitors, and perhaps even more important, for protection of those users who have no alternative to the United States Postal Service, or those who live in areas where there are no competitive carriers for other kinds of mail. And it is my understanding that the proposal for unilateral authority would not retain these kinds of protections, and it appears to me that that would not be proper.

Never having been involved in the service change case, I am not sure that allowing notice and comment rather than trial type proceedings would be an improvement. It would appear that it would be our best policy to leave it with the Commission's judgment under the normal administrative procedure principles, whether a trial type hearing is needed in particular cases. Those two, I think, are the ones that cause me most concern right now.

Senator STEVENS. I have always viewed the Postal Rate Commission's role as being a place for the ultimate protection of the rate payer, keeping in mind the real interest of those areas of the country that are served by various classes of mail. In effect, you have a juggling task, the way I see it, trying to keep this system going, yet trying to respond to the needs of the Service for increased revenues but at the same time protecting the people who have such a vital interest in an ongoing mail service.

I am hopeful that you and others will demonstrate that this concept or this Postal Rate Commission remains a good one in these changing days, and that the Postal Service will not proceed with its demand for ultimate rate-making authority. I think there is a protection there for the people who are the managers of the system too, and that is where you have the balancing act. You have to give them the money to keep going, but at the same time you do not have to give them the monies from each class they want.

So you are in a position to really, I think, have a great impact on the future of the Postal Service. So I welcome you, as I said.

Mr. Chairman, I think I have got some other questions, but many of them we already talked about.

Mr. HALEY. Thank you very much. I appreciate that observation. I can assure you, Senators, that I will do my utmost to look at the views that you are expressing now.

Senator STEVENS. Thank you.

Senator PRYOR. Thank you, Senator Stevens.

Mr. Haley, Senator Glenn and Senator Roth could not be present with us this moring. They expressed their sorrow they could not, but both asked me to, for the record, make inquiries relative to your association, past or present association, with former HUD Secretary Samuel Pierce, and also his support for two low-income housing proposals. I understand these questions have been submit-

ted to you, you have responded to them, and they will be made a part of the record.

Senator STEVENS. Pardon me. Let me interrupt. I have just been called to another meeting. I am sorry, Mr. Chairman. I appreciate the opportunity, but excuse me.

Senator PRYOR. Yes, Senator. Thank you for participating this morning.

Now, let me ask this question. Are these responses that you have provided to these questions relative to your relationship with former HUD Secretary accurate and complete?

Mr. HALEY. Absolutely, Senator.

Senator PRYOR. Did you receive any compensation for your efforts on behalf of either of these projects?

Mr. HALEY. No, I did not.

Senator PRYOR. Did you have any financial interest in these projects?

Mr. HALEY. No, sir.

Senator PRYOR. Then let me state for the record, with the Committee's thorough review of the written responses and the other materials that you have provided, it has been determined by the Committee that this is a sufficient explanation and account of your involvement in matters relevant to the HUD programs. And further, there is no evidence whatsoever of any impropriety on the part of yourself, the nominee for this particular position.

Let me end our hearing this mornings, Mr. Haley—wait a minute, I am not quite ready to end it. You are a popular man.

Senator Sasser of Tennessee wants his statement to be placed in the record and for me to express to you his apologies for not being able to be with you.

[The opening statement of Senator Sasser follows:]

OPENING STATEMENT OF SENATOR SASSER

I'd like to thank my good friend and colleague from Arkansas for chairing this hearing, and to join him in welcoming the nominee before the committee this morning.

Mr. Haley is a native of my home State of Tennessee and was born in Henning, in Lauderdale County there. This nominee is no stranger to service with the Federal Government. He has served in earlier administrations as counsel to the Urban Mass Transit Administration and the U.S. Information Agency, and as a delegate to several international conferences.

I have confidence that Mr. Haley will bring to the Postal Rate Commission the same judgment, competence, and dedication he has rendered in his previous service to the American public. The Postal Rate Commission, of course, deals with a set of issues that impacts the average American in a way equaled by few other Government agencies. With another general rate case predicted for the coming year, this is going to be a challenging but rewarding time to be associated with the Rate Commission, and I wish the nominee well as he assumes his duties.

The Commission will be dealing with a broad spectrum of issues concerning the level and pricing of postal services, Mr. Haley. I'd like to take this opportunity to call your attention to one aspect of postal ratesetting that I've raised before with Chairman Steiger and the Postmaster General.

At the time of the last rate case, in 1988, the Postal Rate Commission recommended what is known as a "shell" classification for a new category of first-class mail, so-called courtesy envelope mail. In other words, the Commission approved in principle a lower stamp rate for mail sent in precoded envelopes. These are widely used, for example, by businesses and utilities in billing their customers. The envelopes are machine-readable and the Commission was advised that the cost differential per envelope, between courtesy envelope mail and regular uncoded mail, was as much as 6½ cents apiece.

This raises the prospect that the average American household could use stamps that are about a nickel cheaper to pay its bills. That doesn't sound like much but it adds up, especially for older Americans and others on fixed incomes. And I think it's ony fair to give this proposal very serious consideration, since by law each class of mail is supposed to pay for itself.

Now, I was informed in 1988 that due to some remaining unknown variables, and because the new rate "cycle" had already begun, the Postal Service wouldn't be in a position to entertain a separate classification for courtesy envelope mail until the next general rate case. Well, we're going to be coming up on that and I expect the Rate Commission to be considering this proposal again. Rising mail costs are a matter of concern to all of our constituents and if the American public has a break coming to it, I hope to see that they get it.

Again, Mr. Haley, thank you for your appearance this morning and good luck to you when, as I expect, you undertake this new post.

Senator PRYOR. Senator Sasser, as you know, is holding hearings this morning with Mr. Darman of OMB, and I am sure that there is a lot more action there in the room than there is in this one.

Let me just conclude by saying, Mr. Haley, that in the State of Arkansas, up in the hills, there is a little community called Romance, Arkansas, population 70. Two weeks ago I had the privilege of welcoming the Postmaster General of the United States to Romance to commemorate, inaugurate the new love stamp of 1990, a beautiful stamp.

This little community, all of a sudden not a community any longer of just 70 people, but over 2,500 people came from all over the State and other States to be a part, not only in commemoration of the love stamp, but also to witness a beautiful wedding in the local church. There are only three buildings there, by the way, the Church of Christ, the Post Office, and the Volunteer Fire Department.

I will never forget what the Postmaster General said to me as we rounded the hill looking down into the valley, a little small post office, there, and over 2,000 people who were lined up all over the place trying to get in and buy the first issue of the Love Stamp before it went public nationwide the next day. He said, "This is what it's all about."

I will never forget that, and I know that you know this is what it's all about. This job, this challenge that you have and that all of us have, is simply about serving people. We know that you are going to take that challenge. We know that you are going to do a splendid job. I am going to do everything I can to try to have this confirmation through yet this week. I will seek the cooperation of the Chairman and the Ranking Member in trying to do this, and I hope that we can because you have momentous matters coming before the Commission, and we want you on board when those matters are discussed and the final decisions are made.

Do you have any following comments, Mr. Haley?

Mr. HALEY. Well, certainly I thank you and the Committee, Senator. This has been for me a very moving experience, and I want to assure you, and my family and friends who are here, that I am going to give it my all.

Thank you.

Senator PRYOR. We know that you will. We thank you. The Committee stands adjourned. Thank you.

[Whereupon, at 10:55 a.m., the hearing was adjourned subject to the call of the Chair.]

APPENDIX

UNITED STATES SENATE
Committee on Governmental Affairs

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

1. Q. Name: (Include any former names used.)

   A. George Williford Boyce Haley

2. Q. Position to which nominated:

   A. Commissioner, Postal Rate Commission

3. Q. Date of nomination:

   A. September 11, 1989

4. Q. Address: (List current place of residence and office addresses.)

   A. Residence: 13617 Northgate Drive, Silver Spring, Maryland 20906
   Office: 733 15th Street, N.W., Suite 700, Washington, DC 20005

5. Q. Date and place of birth:

   A. August 28, 1925; Henning, Lauderdale County, Tennessee

6. Q. Marital status: (Include maiden name of wife or husband's name.)

   A. Married. Wife's maiden name is Moxley

7. Q. Names and ages of children:

   A. David Barton Haley, 30 years
   Anne Palmer Haley, 27 years

8. Q. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

   A. Industrial Training School
   Bordentown, New Jersey 1942 - 1943
   High school diploma received June 1943

   Morehouse College
   Atlanta, Georgia 1946 - 1949
   Bachelor of Arts degree received June 7, 1949

   University of Arkansas
   School of Law
   Fayetteville, Arkansas 1949 - 1952
   Bachelor of Laws degree received June 7, 1952

9 Q. Employment record. List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)

A. Herald Tribune Fresh Air Fund Camp
Boys' Counselor (ages 10-14)
Red Hook, New York (June 1950 - August 1950)

Street Department, Laborer
City of Kansas City, Kansas
(July 1951 - August 1951)

Stevens and Jackson Law Firm
Associate (1952 - 1954)
1314 5th Street
Kansas City, Kansas

Stevens, Jackson, Davis & Haley
Partner (1954 - 1969)
1314 5th Street
Kansas City, Kansas

City of Kansas City, Kansas
Deputy City Attorney (1954 - 1964)
City Hall
Kansas City, Kansas

U.S. Urban Mass Transportation Administration (UMTA)
Chief Counsel (1969 - 1973)
4th and D Streets, S.W.
Washington, DC 20590

U.S. Information Agency (USIA)
Assistant Director for Equal Employment Opportunity
(1973 - 1976)
301 4th Street, S.W.
Washington, DC 20547

U.S. Information Agency (USIA)
General Counsel and Congressional Liaison
(1976 - 1977)
301 4th Street, S.W.
Washington, DC 20547

Obermayer Rebmann Maxwell & Hippel
Partner (1976 - 1981)
Packard Building, Philadelphia, Pa 19102
2011 Eye Street, N.W., Washington, DC 20006
(Washington office no longer exists.)

George W. Haley, P.C.
President (1981 - present)
Suite 700
733 15th Street, N.W.
Washington, DC 20005

NASA
Consultant (Equal Employment Opportunity)
(1983 - 1984)
Washington, DC 20546

The Frederick Douglass Foundation of Washington, D.C.
Director, Institute for the Study and Analysis of Mass Transportation
(1988 to November, 1989)
3347 Bangor Street, S.E.
Washington, DC 20020

10. Q. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

A. Delegate: Appointed by President Reagan to the United States Delegation, Centennial Celebration of Dakar, Senegal, West Africa, December 1987.

Senior Adviser: Appointed by President Reagan to the United States Delegation, 22nd General Conference of UNESCO, Paris, France, 1983.

Member: Appointed by President Reagan to the fifteen member Monitoring Panel on question of U.S. Withdrawal from UNESCO, 1984.

Delegate: Appointed by President Reagan to the United States Delegation to the Second International Conference on Assistance to Refugees in Africa (ICARA II), Geneva, Switzerland, 1984.

Member: Selective Service Board, Kansas City, Kansas, (1966 - 1969)

Vice President: Human Relations Commission, Kansas City, Kansas, (1960 - 1962)

11. Q. Business relationships: List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

A. President
George W. Haley, P.C.
733 15th Street N.W.
Suite 700
Washington, DC 20005

Director
Institute for Study and Analysis of Urban Mass Transportation of the Frederick Douglass Foundation of Washington, DC

Counsel
Association for International Practical Training (AIPT)
Columbia, Maryland

12 Q. Memberships: List all memberships and offices held in professional, business, fraternal, scholarly, civic, public, charitable and other organizations.

A.

Sept. 1951 to Present	- Member, Arkansas Bar Association
Sept. 1952 to Present	- Member, Kansas Bar Association
June 1952 to Present	- Member, NAACP
Sept. 1954 to Present	- Member, National Urban League
Sept. 1954 to Present	- Member, Alpha Phi Alpha Fraternity
Jan. 1956 to Present	- Member, Prince Hall Mason
Sept. 1956 to Present	- Member, American Bar Association
Sept. 1960 to Present	- Member, Nat'l Bar Association
Oct. 1970 to Present	- Member, District of Columbia Bar Assc.
June 1973 to Present	- Member, Sigma Pi Phi Fraternity
Sept. 1973 to Sept. 1975	- President, Layhill Civic Association
Sept. 1974 to Present	- Member, Federal Bar Association
June 1975 to June 1976	- PTA President, Argyle Junior High School, Silver Spring, MD
Nov. 1977 to 1980	- Board of Directors, Project Equality, Inc.
June 1979 to Present	- Board of Directors, Africare, Inc.
Jan. 1984 to Jan. 1987	- Board of Governors, Antioch School of Law
Feb. 1987 to Present	- Legal Counsel Sharp Street United Methodist Church
Mar. 1987 to Mar. 1988	- Board of Directors, Universal Bank
Apr. 1987 to Present	- Board of Directors, Delta Sigma Theta Foundation
Nov. 1987 to Present	- Board of Directors, Nat'l Center for Missing and Exploited Children
May 1988 to Present	- Board of Governors, Nat'l Lawyers Club
May 1988 to May 1989	- Nat'l Chairman - 1949 Forty-Year Class $1 million Fund Raiser, Morehouse College, Atlanta, GA

13 Q. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 5 years.

A. (a) Offices held or offices for which I have been a candidate:

Republican Precinct Committeeman, Kansas City, Kansas
President, Wyandotte County Young Republicans
Vice President, Kansas State Young Republicans
Elected to Kansas State Senate, 1964 for four year term
Candidate, Republican Primary, Third Congressional District, Kansas - 1966
Candidate, Republican Primary, U.S. Senate, Maryland 1986
Former member, Maryland State Republican Finance Committee

(b) Memberships and offices held in and services rendered:

Former General Counsel: Montgomery County, Maryland Republican Central Committee

Reagan/Bush Surrogate Speaker:
1980, 1984 Presidential elections. Campaigned in California, Colorado, Kansas, Ohio, Michigan, Illinois, Arkansas, Tennessee, Louisiana, South Carolina, Kentucky. Drew Lewis and Elizabeth Dole were surrogate team leaders.

Campaigned in Maryland for Charles McC. Mathias Jr., Newton I. Steers Jr., Linda Chavez (General Election, 1986), Constance A. Morella, and Howard A. Denis during years of their elections or candidacies.

Campaigned for Bob Dole for President in 1988 until he withdrew. Afterwards, campaigned for George Bush for President in 1988; served as a surrogate speaker and on The Lawyers for Bush and Blacks for Bush Committees.

Work home precinct every primary and general election day.

(c)

George Bush for President	$550.00
Bob Dole for President	500.00
Constance Morella	180.00
Maryland State Republican Party	110.00

4 Q. Honors and awards: List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

A. Outstanding Alumni 1988
University of Arkansas School of Law

U.S. Department of Transportation Secretary's Award
January 5, 1973

Morehouse College Region IV National Alumni Association
Recognition Award
February 26, 1982

Former President: Laymen for the Kansas-Missouri-Colorado Conference of the Christian Methodist Episcopal Church.
1962-1969

Former Chairman: the Community Advisory Board of Howard University's Television Station WHMM-TV, Channel 32.

Comments Editor of Arkansas Law Review.

Subject of an article written by brother, Alex Haley, published in the March 1963 issue of *Readers Digest* entitled: "The Man Who Wouldn't Quit."

Conducted a three-week tour in Africa, requested by the State Department, with appearances in Senegal, The Gambia, Liberia, Ghana, Ivory Coast and Nigeria (1972).

Invited to a week's seminar in Lagos, Nigeria (May 26-30, 1980) to lecture on the American experience in Government. Seminar resulted from an invitation by the Nigerian Federal Government. The seminar was presented to members of the Federal Cabinet, National Assembly, Federal and State Judiciaries.

In January 1983, attended a six-day conference in Harare, Zimbabwe sponsored by the African-American Institute, and made media appearances (television, radio, news interviews) and lectures in Zimbabwe, LeSotho, Botswana, Kenya, Nigeria and Paris, France, for the United States Information Agency.

Invited as guest by the Israeli Government to visit Israel from July 7 to July 17, 1985.

Selected by the Eagleton Institute of Politics in 1968, as one of twenty-five elected state legislators from across the country to participate in a week long, expense paid, State Legislators' Seminar held in Key Biscayne, Florida July 28 to August 3, 1968.

Honorary Chairman: Second Annual Kunta Kinte High Heritage Day, Annapolis, MD 1988.

Invited to make fall convocation address at Lansing Community College, Lansing, Michigan, September 14, 1989.

15 Q. Published writings. List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

A. 1. Public Utilities - Duty to Deny Services Used in Aid of Illegal Activity, 5 Ark L. Rev. 235-237 (1951)

2. Legal Profession - Contingent Fee Contracts in Domestic Relations Case, 5 Ark L. Rev. 451-453 (1951)

3. Torts - Liability for Damage Caused by Blasting Operations, 5 Ark L. Rev. 460-462 (1951)

4. The Obstruction of Justice by Interference with a Law Enforcement Officer's Performance of Duty, 6 Ark L. Rev. 46-53 (1951-52)

5. Conflict of Laws-Effect on Title of New Transaction After Unpermitted Removal of Chattel to Another State, 6 Ark L. Rev 223-226 (1952)

6. Centennial Toast to Kansas, The Congressional Record, Tuesday February 7, 1961, p. A787, entered by Congressman Robert F. Ellsworth (R. Kan)

7. The Urban Mass Transportation Act of 1970 - A Federal Program Comes of Age, 16 N.Y. Law Forum 685 (1970), 17 N.Y. Law Forum 1, (1971)

8. A Father's Day Message by George Haley, The Congressional Record, June 28, 1977, p. S10957, entered by Senator Howard Baker (R. Tenn)

16. Q. Speeches: Provide the Committee with three copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

A. I have made no speeches relevant to the position for which I have been nominated.

17. Q. Selection:

(a) Do you know why you were chosen for this nomination by the President?

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

A. (a) President Bush and I have been personally acquainted for over twenty years. Our connection began in Republican Party politics and continued when I served the U.S. Government: first as Chief Counsel for the Urban Mass Transportation Administration, and subsequently on various United States diplomatic delegations to UNESCO, International Conference on Assistance to Refugees in Africa (ICARA), the Centennial Celebration of Dakar, Senegal, and others.

The President is well aware of my activities and accomplishments in these various capacities and my personal dedication to public service.

(b) As recited in my answer to question (a) above, my experience in public and private sector legal and managerial activity has been extensive and diverse. I have exercised managerial responsibilities in three different Federal government personnel systems (GS, FS and WB). I have had direct responsibility for carrying out Congressional liaison in two Federal agencies and experience in the field of government contracts from both sides of the fence. I believe that I have analytical powers, managerial skills and attitudes which qualify me to manage the Postal Rate Commission effectively and in accordance with law and sound public policy.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Q. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

   A. Yes.

2. Q. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

   A. No.

3. Q. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

   A. No, however it is possible that I may return to the private practice of law.

4. Q. Has anybody made a commitment to employ your services in any capacity after you leave government service?

   A. No.

5. Q. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

   A. Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Q. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

   A. None.

2. Q. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

   A. None.

3. Q. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

   A. None.

4. Q. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

A. None.

5. Q. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide copies of any trust or other agreements.)

A. I have no potential conflict of interest to the best of my knowledge.

6. Q. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

A. Yes.

D. LEGAL MATTERS

1. Q. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

A. No.

2. Q. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

A. No.

3. Q. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

A. No.

4. Q. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense?

A. No.

5. Q. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

A. I am basically a family man, devoted to my wife and my children and inspired by the very strong and close relationships which have always existed between myself, my parents and my siblings. I am active in church and in the civic organizations serving the community in which I live, as well as charitable organizations and organizations supporting the causes of human rights.

E. FINANCIAL DATA

(retained in committee files)

I. NOMINATION PROCESS AND POTENTIAL CONFLICTS

1. Q. Were any conditions, expressed or implied, attached to your nomination to be Chairman of the Postal Rate Commission?

   A. No.

2. Q. Have you made any specific commitments with respect to the basic policies and philosophy which you will follow while Chairman of the Postal Rate Commission? If so, please describe these commitments.

   A. No.

3. Q. To your knowledge, did persons representing interests subject to Postal Rate Commission regulation actively support or endorse your appointment? If so, please provide details of those activities.

   A. No.

4. Q. Is there any issue currently under consideration by the Postal Rate Commission, or any which may come under consideration, from which you may have to disqualify yourself? If so, please explain.

   A. No.

5. Q. Do you have any interest in any corporation, partnership, association, or other entity which is a significant user of the mails or whose interest may be affected significantly by the levels of postage rates or degree of postal service?

   A. No.

   While my membership on the board of directors of the National Center for Missing and Exploited Children is not, strictly speaking, covered by the question, I have indicated that I will resign from that board, since the Center benefits from Postal Service cooperation in publicizing its information on missing children.

II. ROLE AND RESPONSIBILITIES OF THE POSTAL RATE COMMISSION

1. Q. What do you believe are the most important responsibilities of the Postal Rate Commission?

   A. The Postal Rate Commission has the important job of insuring that postal rates and classifications of mail are fair, responsive to the public's needs, and consistent with an efficient and effective postal communication system for the whole Nation. In my view it is a particularly significant part of the Commission's assignment to insure fairness and appropriate public participation in the process of arriving at equitable and technically sound rate and

classification decisions, through fair and open hearings.

In carrying out this responsibility, the Commission naturally develops expertise, which I understand it places at the disposal of Congress and other organs of government faced with postal issues. I would consider that another highly important function for the Commission to carry out.

2. Q. What challenges do you expect to face as Chairman of the Postal Rate Commission?

A. First, it is my understanding that a general rate increase case is expected in the relatively near future (early 1990). I am determined to make my full contribution to the hearing and decision of that case, so I will be reviewing a host of technical and legal issues likely to arise.

In addition, this seems to be a time at which a lot of fundamental questions are being asked about the postal system. Issues have been raised about its ability to hold down operating costs, the status of its traditional letter monopoly, and other basic points. Not all of these can be addressed on the basis of past precedent alone. I expect to study how best the Postal Rate Commission, while remaining within the jurisdictional scope Congress assigned to it, can help provide useful answers to these issues.

3. Q. What will be your top priorities and objectives as Chairman?

A. I want, first of all, to make sure the Commission continues to address issues before it squarely, decide them promptly, and issue opinions and decisions that fully and in reasoned fashion explain what it has done.

I will make it a priority to consider and where appropriate to push forward with initiatives to increase the fairness and efficiency of the Commission's hearing process.

As indicated in number II.1, I consider it a high priority to assist Congress and the Administration when objective, technically sophisticated information on postal issues is needed.

4. Q. What contributions do you feel that you can make to the Postal Service as Chairman of the Postal Rate Commission?

A. As a lawyer with experience both in government and in the private sector, I believe I have a good appreciation of the particular strengths of an open, public forum like the Commission for deciding many of the difficult issues facing the postal system. One of the objects of the postal reorganization of 1970 was to bring ratemaking and the setting of mail classifications out into the sunshine, and I think I can contribute to that process.

I have also had some useful experience in the management of government bodies. I expect to bring that to bear as Chairman, since the Postal Reorganization Act makes the Chairman the chief executive of the Commission.

Finally, it seems to me appropriate that the chairman of a quasi-judicial agency like the Commission be someone with a personal commitment to public service, as an ideal and not just a job. I think I have that commitment, and I plan to hold office with it constantly in mind.

III. OPERATIONS AND MANAGEMENT OF THE POSTAL RATE COMMISSION

1. Q. What do you see as the proper relationship between the Postal Rate Commission and Congress? Do you think Congress should have an increased role in reviewing decisions involving postal rates and services?

A. I believe the present relationship is the right one: Congress oversees the Commission, as it does every agency, to be sure it is efficiently doing the job the statute sets out for it, while maintaining the understanding of the 1970 Act whereby the discrete decisions on particular issues were left to the expertise of the agency, applied to the record generated in open hearings. That expertise should also be at Congress's disposal when it needs detailed postal information for its own legislative tasks.

As regards the second part of the question: I would distinguish between review of rate decisions and review, on a broader scale, of the statutory standards on which such decisions are made. As noted above, Congressional review of the individual decisions is what Congress tried to get away from in the Reorganization Act. But review of the broader statutory standards is a definitely legislative function, and I would distinguish it sharply from review of particular on-the-record decisions.

2. Q. What should be the relationship between the Postal Rate Commission and the Board of Governors of the Postal Service?

A. Each body has a distinct function to perform, and I think the history of the last several years has shown they can do so without undue friction. Just as the Commission has the primary responsibility for designing rates and classifications, the Governors are the overall policymaking body for the Postal Service. These spheres are easy to separate in theory, and I think not all that hard to separate in practice. I believe the whole system will work better if we observe that line of separation, while not hesitating to make appropriate suggestions for one another's consideration where that seems to be necessary.
(Another aspect of this matter is dealt with in the next question.)

3. Q. Do you believe that the Postal Rate Commission should have final decisionmaking authority over rates and mail classification matters? What effect would such authority have on the Postal Rate Commission and the Board of Governors of the Postal Service?

A. I am inclined to think that this would be a useful reform.
I am not aware of any other system in which a ratemaking body submits its decisions to the governing board of the utility or carrier whose rates were in issue. Also, the present system seems to have the potential for delay and overcomplication. In other ratemaking systems we rely on judicial review as a means of insuring that agency decisions are fair and have been fairly arrived at, and since the Postal Reorganization Act lays down comparatively detailed standards that rates must obey, I would think judicial review would be a particularly effective protection for the Board of Governors.

4. Q. Do you believe that the Postal Rate Commission should be funded directly through congressional appropriation? If so, why? To what extent do you believe the current method of funding impairs the independence of the Postal Rate Commission?

A. I would not change the current method of funding the Commission. I am aware of nothing that even suggests that the Commission's independence is endangered by the present method, since it appears that its very modest budget is customarily approved without controversy by the Board of Governors. Moreover, it seems quite appropriate that since the ratepayers are the intended beneficiaries of regulation by the Commission, they should provide support for its programs through the Postal Service Fund.

5. Q. Do you see the Postal Rate Commission as primarily a regulatory body or as an advisory body? Please explain.

A. I see it as having elements of both. It could be called "advisory" simply because most of its decisions are not final. But all the techniques it uses are traditional regulatory ones, the issues it faces are regulatory issues, and its independence

and quasi-judicial character are functions of its basically regulatory function. Moreover, it exists, as do many other more traditional regulatory bodies, in a context of monopoly enterprise (in this case, the monopoly on letter mail which the statute creates for the Postal Service).

One might best answer the question by saying that the Commission is basically a regulatory body -- but that, owing to unique institutional circumstances, it shares parts of the overall regulatory function with the Board of Governors.

6. Q. What role, if any, should the Postal Rate Commission play in management and operation issues of the Postal Service?

A. So far as direct, "hands-on" management is concerned, I do not think Congress intended the Commission to play more than an occasional advisory role. Certainly it would be difficult for a specialized agency in Washington, with about 60 people on its staff, to try to exercise any detailed oversight of the operations of a nationwide postal system with 800,000 employees! There are areas where Congress not only expected but required input from the Commission, as when the Postal Service proposes a nationwide change in the nature of its services, or when an interested party files a significant complaint about service quality. Those cases call for formal, albeit advisory, decisions by the Commission.

In terms of day-to-day management, there seems to be a broad if not always perfect understanding that this is primarily a Postal Service function, and I would concur in that understanding.

IV. POSTAL SERVICE OPERATIONS

1. Q. Do you question the need for any service currently provided by the Postal Service? If so, please explain.

A. No. I have, at this point, no factual basis for entertaining such doubts about any particular class of service.

2. Q. Do you believe that the goal of the self-sustaining Postal Service is realistic? Please explain.

A. Yes. The Postal Service, over the last several years, appears to have maintained itself in a substantially self-supporting position. I recognize that there is concern today in some quarters about its ability to control costs and thereby continue to

offer services at affordable prices; however, I do not think these current problems make the overall goal unrealistic.

3. Q. It appears likely that the Postal Service may be taken "off budget". What do you think of this approach?

A. First, I do not think the Postal Service's status vis-a-vis the budget would greatly affect the work of the Postal Rate Commission.

More generally, while there are doubtless many nuances to the question, it strikes me that the Postal Service may be a rather poor "fit" in a budget that works by annual appropriations. It receives no operating subsidies from the treasury, and it makes a number of longer-term investment decisions that are not necessarily best reflected as current expenditures. Also, as I understand it the rates tend to remain fixed for about three years, while costs are changing continuously. This is likely to produce or lead to surpluses, breakeven results, and deficits in successive years. Given the Postal Service's vast size, these swings would have a very noticeable effect on the overall budget.

4. Q. How do you believe the public interest in maintaining the current level of postal services should be balanced with the costs of continuing these services?

A. The first line of attack, it seems to me, should be to try to reduce the cost where this is feasible. This is essentially a task for Postal Service management, at all levels.

The Commission can help this balancing process by reflecting, in the ratemaking process, the true need for services and developing a public record on what their users can and will pay for them. Open hearings and public participation can produce a great deal of useful guidance on issues like this.

V. POSTAL REORGANIZATION

1. Q. It has been nearly 20 years since the passage of the 1970 Postal Reorganization Act. How would you assess its effectiveness today? Are there any changes you would like to see made?

A. Postal Reorganization has been a success in many areas. I believe it responds to the need for a more business-managed form of postal system, while preserving the traditional idea of a universal service for the whole Nation. The Postal Service now can run without operating subsidies from Congress. As Congress intended, the rate setting process has been put on a more open and objective footing. Apart from the procedural change mentioned in connection with final

decisional authority for the Postal Rate Commission, I do not now have any suggestions for change in the legislation.

2. Q. What do you see as the current strengths and weaknesses of the Postal Service?

A. Among its current strengths are a renewed commitment, which is vigorously supported by Postmaster General Frank, to controlling costs. I hope it succeeds. Another hopeful sign is found in the fresh approaches to dealing with the ordinary retail customer. It is also my understanding that the Postal Service is pursuing automation of its operations in a more focused way than has sometimes been true in the past.

So far as I can now tell, the most challenging weakness to overcome is cost escalation. People are seriously asking if management is capable of controlling costs, and this is cause for concern.

3. Q. If Congress were to reexamine the role and responsibilities of the Postal Rate Commission, what changes would you recommend? What do you see as the strengths of the Commission?

A. Apart from the final decision question addressed above, I do not now have suggestions for changes in the Commission's role.

It seems to me that the Commission's strengths are in (i) the openness of its processes, (ii) the expertise of its members and staff and their ability to make this expertise useful to others, and (iii) its objectivity. As Chairman, I would work to preserve and increase all of these advantages.

VI. RELATIONS WITH CONGRESS

1. Q. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?

A. Yes.

2. Q. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

A. Yes.

ANSWERS TO
ADDITIONAL PRE-HEARING QUESTIONS
FOR GEORGE HALEY
TO BE CHAIRMAN OF THE POSTAL RATE COMMISSION

1. How would you describe the nature and extent of your relationship with former Housing and Urban Development (HUD) Secretary Samuel Pierce?

Former Housing and Urban Development (HUD) Secretary Samuel Pierce and I became acquainted in 1970 when he served as General Counsel for the U.S. Treasury Department, and I was Chief Counsel for the Urban Mass Transportation Administration in the U.S. Department of Transportation. We established a friendship which has continued through the years and caused us to be in touch from time to time.

2. How many times, while he was Secretary, were you in contact directly (by letter, phone, meetings) with Secretary Pierce regarding HUD project grants or other assistance? What was the nature and extent of each such communication?

To the best of my knowledge and recollection, I was directly in contact with Secretary Pierce regarding HUD project grants or other assistance on only two occasions, by letters, and telephone calls. We did not at any time meet in person with regard to any HUD project, grant or other assistance. The nature and extent of each contact is explained in item 3.

Question 3

For each project or proposal on which you contacted Secretary Pierce, please provide for each:

(a) In what capacity and on whose behalf you were acting? (Including the name of the individuals and any corporate identification of the sponsor on whose behalf you acted.)

(b) A description of each proposal and why you felt it merited your support.

(c) Details of any compensation received (financial or in-kind) for your efforts and services rendered on behalf of these projects and/or the sponsors?

(d) Details of any contingent interest or share in any project conditioned on the receipt of financial assistance from HUD?

(e) The amount of federal assistance sought? The amount, if any, that was in fact received?

1. CHESTER, PENNSYLVANIA PROPOSAL (LOW AND MODERATE INCOME HOUSING)

(a) I was acting as an attorney on behalf of Comprehensive Housing Investment Corporation ("CHIC") a Pennsylvania corporation,. and two principals therein, Peter McGhee and John Reed, who had been friends and clients of mine for several years.

(b) McGhee and Reed, and the other participants in CHIC were acquainted with a Mr. Ernest Czont, who had invented a new technology for building construction, using a process whereby panels made of polyethylene or polystyrene and steel, were erected on movable scaffolds. The panels were then sprayed with "Gunite", a form of liquified concrete long used in the construction industry, especially for swimming pools. This process produces solidly built modular dwellings suitable for low or moderate income housing at a very low cost, largely because it permits much of the construction work to be done by unskilled and semi-skilled labor. Many disadvantaged persons are thereby provided not only with housing but with jobs. My interest in the betterment of minority and other disadvantaged groups led me to want to give the proposal my support.

CHIC had been negotiating with the Mayor of Chester, Pennsylvania, who wanted to construct some low and moderate-income dwelling units on city-owned land, with possible financial assistance from the

Department of Housing and Urban Development. McGhee and Reed knew of my long acquaintance with Secretary Pierce and asked me to try to arrange a meeting with him and his senior staff to demonstrate the new technology developed by Mr. Czont, and to pave the way for the filing of an assistance application by the City of Chester. As a matter of friendship and my interest in trying to help make affordable housing available, I arranged such a meeting, which was held January 6, 1987.

I attended the meeting along with Mr. Czont and McGhee and Reed. Secretary Pierce was not able to attend due to illness, but some members of his senior staff were there. After Mr. Czont's presentation, the HUD officers indicated that the technology appeared to be satisfactory from the point of view of HUD's quality standards and adaptability for low and moderate income housing. I was later told that this evaluation was confirmed after HUD engineers inspected Czont's prototype units in West Palm Beach, Florida. I was also later told that an application for HUD assistance for a 500-unit Chester Project was filed by the City and CHIC, but I had no part whatsoever in preparing or presenting that application.

(c) I neither bargained for, agreed to, or received, any compensation whatsoever (financial or in-kind) for any services in connection with CHIC's proposal for the Chester project.

(d) I neither bargained for, agreed to or received any contingent interest or share in the Chester project or any other project conditioned on the receipt of financial assistance from HUD.

(e) I do not know how much federal assistance was sought, but I have been informed that CHIC's proposal was rejected by HUD for lack of a sufficient number of families in the Chester

area whose incomes would qualify them to live in the proposed housing.

2. PUERTO RICO PROPOSAL (HIGH-RISE APARTMENT COMPLEX FOR LOW AND MODERATE INCOME FAMILIES)

(a) I was acting as an attorney on behalf of two other attorneys, Terry Rulli, Esq., of Philadelphia, Pa., and Pedro Vasquez, Esq., of San Juan, Puerto Rico. They were involved in a pending application for HUD assistance for a large high-rise apartment complex in Puerto Rico for low and moderate income families. I do not remember the name of the project or the name of its corporation sponsor in Puerto Rico, nor how many units were involved.

(b) The housing contemplated in the application was intended for low and moderate income citizens of Puerto Rico, almost all of whom are Black or Hispanic. Vasquez and Rulli told me that the application was not receiving any attention at HUD, and my interest in minority betterment led me to feel that I should support it. They asked me if I would try to instigate some action through Secretary Pierce to obtain a decision from HUD. I agreed to do so, and after obtaining a copy of the project application, I sent it to the Secretary with a handwritten note, asking nothing more than that he see that the application was give a "fair shake".

(c) I neither bargained for, agreed to or received any compensation whatsoever (financial or in-kind) for any services in connection with this project.

(d) I neither bargained for, agreed to or received any contingent interest or share in this project or any other project conditioned on the receipt of financial assistance from HUD.

(e) I do not remember how much federal assistance was sought, and I have never been told whether any assistance was granted.

4. Did you contact any HUD officials, other than Secretary Pierce, regarding your support of a particular project? Please identify any such contacts and the subject matter for each.

I made no contacts with any other HUD officials regarding any project aside from the January 6, 1987 meeting discussed in item 3.

AFFIDAVIT

GEORGE W. HALEY, being duly sworn, hereby states that he has read and signed the foregoing Answers to Additional Pre-Hearing Questions and that the information provided therein is, to the best of his knowledge, current, accurate, and complete.

George W. Haley

Subscribed and sworn to before me this 14th day of November, 1989.

Maria I. Burke
Notary Public

My [illegible]

ANSWER TO ADDITIONAL PRE-HEARING QUESTION
FOR GEORGE HALEY
TO BE CHAIRMAN OF THE POSTAL RATE COMMISSION

1. Name the Department of Housing and Urban Development (HUD) officials who attended the January 6, 1987 demonstration on concrete, low cost housing.

The HUD officials who attended the January 6, 1987 demonstration were: Thomas T. Demery, Assistant Secretary of HUD; J. Michael Dorsey, Assistant Secretary for Public and Indian Housing; and Deborah Dean, Special Assistant to the Secretary.

As stated in the November 14, 1989 sworn statement, heretofore submitted, the January 6, 1987 conference had been requested and a meeting scheduled with Secretary Pierce. It was only after I and my clients arrived at the HUD building for the appointment that we learned that the Secretary would not be meeting with us. While we were at the meeting a call was placed to Secretary Pierce at home by one of his staff. He expressed his regrets to us through a speaker phone for not being able to be present because he was ill. I was not acquainted with either of the three HUD officials listed above before this demonstration and have had no contact with any of them since.

AFFIDAVIT

GEORGE W. HALEY, being duly sworn, hereby states that he has read and signed the foregoing Answer to Additional Pre-Hearing Question and that the information provided therein is, to the best of his knowledge, current, accurate, and complete.

George W. Haley

Subscribed and sworn to before me this 16th day of November, 1989.

Maria I. Luke

Notary Public

My Commission Expires: January 31, 1992

MEMORANDUM

TO WHOM IT MAY CONCERN:

FROM: GEORGE W. HALEY
733 15th Street, N.W.
Suite 700
Washington, D.C. 20005

For a number of years I have represented a local minority-owned small business enterprise known as Diplomat Limousine and Livery Service, Inc. The principals in Diplomat were and are Peter McGhee and John Reed, who are long-time friends of mine. In 1985 or 1986, McGhee and Reed became interested in going into the housing development field, particularly in the low and moderate income housing area.

They were acquainted with a Mr. Ernest Czont, who had invented a new technology for the construction of such housing, using a process whereby panels made of polyethylene or polystyrene and steel, were erected on movable scaffolds. The panels were then sprayed with "Gunite", a form of liquified concrete long used in the construction industry, especially for swimming pools. This process produced solidly built modular dwellings suitable for low or moderate income housing at a very low cost, largely because this technology permits much of the construction work to be done by unskilled and semi-skilled labor, thereby providing many disadvantaged persons not only with

housing but with jobs. McGhee and Reed became associated with an existing Pennsylvania corporation, organized to go into business using the Czont technology. The corporation was known as Comprehensive Housing Investment Corporation, or "CHIC".

McGhee and Reed had received inquiries from the Mayor of Chester, Pennsylvania, who wanted to construct some low and moderate-income dwelling units on city-owned land, with possible financial assistance from the Department of Housing and Urban Development. They knew of my long acquaintance with Secretary Pierce and asked me to try to arrange a meeting with him and his senior staff to demonstrate the new technology developed by Mr. Czont, and to pave the way for the filing of an assistance application by the City of Chester. As a matter of friendship and my interest in trying to help make affordable housing available, I arranged such a meeting, which was held January 6, 1987.

I attended the meeting along with Mr. Czont and McGhee and Reed. Secretary Pierce was not able to attend due to illness, but some members of his senior staff were there. After Mr. Czont's presentation, the HUD officers indicated that the technology appeared to be satisfactory from the point of view of

HUD's quality standards and adaptability for low and moderate income housing. I was later told that this evaluation was confirmed after HUD engineers inspected Czont's prototype units in West Palm Beach, Florida.

I was also later told that an application for HUD assistance for a 500-unit Chester Project was filed by the City and CHIC. I had no part whatsoever in preparing or presenting that application, which, I have also been told was subsequently rejected for lack of a sufficient number of families with qualifying incomes in the Chester area. I did not bargain for, agree to or receive any fee whatsoever for arranging the January 6, 1987, meeting in Secretary Pierce's office or for any other services in connection with CHIC's proposed Chester project. Had HUD financing made construction of the project possible however, I would have anticipated that my office would have been retained to perform some of the legal work in connection with it.

Another incident grew out of the CHIC/Chester matter. I had invited a Mr. Terry Rulli, an attorney from Philadelphia who had been involved in the negotiations regarding the Chester project, to attend a buffet luncheon at my office in honor of my former law partner, Senator Hugh Scott. Rulli asked if he might bring

with him, his friend, Mr. Pedro Vasquez, an attorney from Puerto Rico, and of course I agreed. After the luncheon, Vasquez told me that he had some time ago filed an application for HUD assistance in a large high-rise apartment complex for low and moderate income citizens of Puerto Rico, almost all Black or Hispanic, but that he had not heard anything about its status.

He asked me if I would try to instigate some action through Secretary Pierce to obtain a decision from HUD. I agreed to do so, and after obtaining a copy of the project application, I sent it to the Secretary with a handwritten note, asking nothing more than that he see that the application was given a "fair shake". I do not know what, if any, final action was ever taken on the application. I never bargained for, agreed to or received any compensation whatsoever for my action in contacting the Secretary or for any other services in connection with the Puerto Rico housing project.